

Questions For the Record

Hearing: *“Bolstering the Safety Net: Eliminating Medicaid Fraud”*

Senator Tom Coburn, M.D.

Senate Subcommittee on Federal Financial Management, Government Information, and
International Security

To: Center for Medicaid Services

1. What measures will be taken to ensure that CMS’ strategic plan for fraud control has specific goals and accountable standards for reporting improper payments and prosecuting fraud? Will such a plan take into account past vulnerabilities, clearly delineate roles and responsibilities for fraud control, and standardize those roles across the states? What are the measurable goals CMS will use, and a date or goal for implementation of the strategic plan?
2. What are the specific mechanisms and plans for coordination between CMS’s Medicaid and Medicare program integrity staff, as well as the HHS OIG program integrity staff?
3. What are the most important issues that CMS should address in its plan for Medicaid program integrity efforts?
4. What are the lessons learned from efforts to combat fraud and abuse in the Medicare program that CMS could apply to the new Medicaid Integrity Program?
5. What is the biggest program integrity problem – provider fraud or questionable state practices to increase matching funds? What is CMS’s strategy for dealing with both of these problems?
6. As CMS begins to contract for specific program integrity activities, what are the three most important tasks that CMS will expect contractors to perform?
7. Given that CMS is required to annually report on the effectiveness of the use of Medicaid Integrity Program funds, what measurements of effectiveness does CMS propose to use?
8. What is the annual amount budgeted by CMS for Medicaid program integrity efforts (improper or erroneous payments, and including fraud)? In addition, what is the amount budgeted annually by CMS for states’ program integrity efforts? Please provide a table detailing budgets from FY04 – FY07, detailing changes resulting from the recently passed DRA.
9. Knowing that states’ Medicaid programs differ in some ways, how does CMS plan to assess the vulnerabilities and risks associated with different states’ programs?
10. What are the current standards CMS is using to phase out provider tax and donation programs used by some states to increase Federal matching funds?
11. How does CMS rate the effectiveness of efforts such as the Medicaid Alliance for Program Safeguards and state audit initiatives?
12. What comprehensive procedures or programs to verify provider eligibility (e.g.: valid license; no criminal record; has not been excluded from other Federal health programs; practices from a legitimate business location) could CMS either implement or strengthen to pre-screen providers with the goal of reducing Medicaid fraud?

13. What are CMS's recommendations to strengthen Federal guidelines regarding reporting and recovery of third party payments, and the elimination of a pay-and-chase methodology in some states (allowing a state to pay a provider's claim and then seek recovery from a liable third party)?
 - a) Are states required to use cost avoidance for most services unless a state obtains a waiver from CMS allowing it to pay and chase? How often do states obtain waivers?
14. What is the role of CMS in identifying improper payments in the Medicare and Medicaid program? By whom, and how many audits have been requested in this area by CMS or another body? Is requesting audits to identify improper payments a consistent practice?
15. Payment Error Rate Measurement Project (PAM/PERM): Please provide a table detailing the most recent list of participating states, as well as the programs being tested in those states (Medicaid, Medicare, SCHIP).
 - a) If all participating states are not required to test the PERM pilot in their Medicaid programs, why not?
16. What are the most recent expectations for a date for implementation of a national adoption of a Medicaid and SCHIP Payment Error Rate Measurement (PERM) project?
17. Because Medicaid is a needs-based program, a robust eligibility component should be factored into improper payment rate calculation. Does such a component currently exist?
18. Do current safeguards exist to assure that Federal dollars are expended only for a state's actual expenditures – not including any amount paid to a provider which has then been returned to the state from the provider?